

12.03 hrs.

PUBLIC ACCOUNTS COMMITTEE**HUNDRED AND ELEVENTH AND HUNDRED AND NINETEENTH REPORTS**

SHRI P. V. NARSIMHA RAO (Hanamkonda): I beg to present the following Reports of the Public Accounts Committee:—

(1) Hundred and Eleventh Report on Action Taken by Government on the recommendations contained in the Ninth Report of the Committee on Andaman Forest Department relating to Ministry of Agriculture and Irrigation.

(2) Hundred and Nineteenth Report on paragraph 26 of the Report of the Comptroller and Auditor General of India for the year 1976-77 Union Government (Defence Services) relating to Contract for supply of Empty Bodies of an ammunition.

COMMITTEE ON PUBLIC UNDERTAKINGS**TWENTY-NINTH, THIRTIETH AND THIRTY-EIGHTH REPORTS**

SHRI JYOTIRMOY BOSU (Diamond Harbour): I beg to present the following Reports of the Committee on Public Undertakings:—

(1) Twenty-ninth Report on Action Taken by Government on the recommendations contained in the Eighty-fifth Report of the Committee (Fifth Lok Sabha) on Hindustan Paper Corporation Limited.

(2) Thirtieth Report on Action Taken by Government on the recommendations contained in the Seventy-ninth Report of the Committee (Fifth Lok Sabha) on Film Finance Corporation Limited.

(3) Thirty-eighth Report on Action Taken by Government on the recommendations contained in

the Seventy-seventh Report of the Committee (Fifth Lok Sabha) on Steel Authority of India.

MATTERS UNDER RULE 377**(i) POLICY IN REGARD TO RESERVATION OF ITEMS FOR PRODUCTION IN THE SMALL SCALE UNITS**

MR. SPEAKER: We shall now take up matters under rule 377.

DR. VASANT KUMAR PANDIT (Rajgarh): Sir, under rule 377, I wish to draw the attention of the House to the following matter. The press notes of January 3 and 5, 1979, issued by the Department of Industry has created a new difficulty in the small scale industrial units. 307 items have been reserved for the small sector with an investment of Rs. 10 lakhs. The policy will hurt the non-small scale units who are required to cut back their production to the level of 1973. Unfortunately, the non-small scale units which were formerly small scale units and have over a period of years after facing many difficulties and putting in hard work, ploughed back their profits in expansion, are great sufferers. This policy will set in a chain reaction and grossly affect the production and profitability of non-small scale units who would be forced to legally or illegally bifurcate their units or cut down their investment and production to remain for ever under the caption 'small scale'. Unfortunately, the same policy does not apply to the capacities of large scale companies who are protected by industrial licensing. The list of items reserved for the small sectors under the Industries (Development & Regulation) Act has expanded in 1978 and consequently many small scale units find themselves manufacturing articles suddenly reserved for the small sector; whereas large units can diversify into capital intensive areas, the formerly small scale units have been badly hit by the new policy.